

Parade Technologies, Ltd. and Subsidiaries.

The following consolidated balance sheets of Parade Technologies, Ltd. and its subsidiaries as of December 31, 2022 and 2021 and the related consolidated statements of comprehensive income, and cash flows for the twelve months ended December 31, 2022 and 2021 have been reviewed and audited by independent accountants, PricewaterhouseCoopers, Taiwan.

The reader is advised that these consolidated financial statements have been prepared originally in NTS and conformed with the adoption of IFRSs. In the event of any differences between NTS and USS version, the NTS version shall prevail.

Audited Consolidated Statements of Comprehensive Income For twelve months ended December 31, 2022 and 2021	USD in Thousands		NTD in Thousands	
	2022	2021	2022	2021
Revenue	679,916	714,334	20,055,284	19,994,646
Cost of goods sold	363,733	373,739	10,739,544	10,463,279
Gross profit	316,183	340,595	9,315,740	9,531,367
Research & development expenses	83,873	76,886	2,497,656	2,152,636
Sales & marketing expenses	29,875	31,703	887,170	887,522
General & administrative expenses	22,439	23,635	664,390	661,551
Total operating expenses	136,187	132,224	4,049,216	3,701,709
Operating income	179,996	208,371	5,266,524	5,829,658
Non-operating income and expenses	3,521	(750)	108,309	(21,125)
Income before income taxes	183,517	207,621	5,374,833	5,808,533
Income tax expenses	16,269	20,180	476,514	564,026
Net income	167,248	187,441	4,898,319	5,244,507
EPS - Basic (In Dollar)	\$2.09	\$2.37	\$61.35	\$66.29
Shares used in computing EPS-Basic (In thousands)	79,845	79,114	79,845	79,114
EPS - Diluted (In Dollar)	\$2.06	\$2.32	\$60.35	\$64.79
Shares used in computing EPS-Diluted (In thousands)	81,160	80,952	81,160	80,952

Audited Consolidated Balance Sheets As of December 31, 2022 and 2021	USD in Thousands		NTD in Thousands	
	2022	2021	2022	2021
Current assets				
Cash & cash equivalents	227,137	332,433	6,975,384	9,201,743
Accounts receivable, net	34,707	50,383	1,065,863	1,394,595
Inventories, net	145,493	75,779	4,468,087	2,097,554
Other current assets	20,236	12,407	621,454	343,437
Total current assets	427,573	471,002	13,130,788	13,037,329
Non-current assets				
Property, plant and equipment, net	16,136	17,625	495,523	487,868
Right-of-use assets	5,302	8,474	162,812	234,571
Intangible assets	103,038	109,979	3,164,291	3,044,207
Deferred income tax assets	11,621	8,817	356,894	244,042
Other non-current assets	155,044	75,636	4,761,390	2,093,609
Total non-current assets	291,141	220,531	8,940,910	6,104,297
Total assets	718,714	691,533	22,071,698	19,141,626
Current liabilities				
Accounts payable	13,003	40,846	399,308	1,130,616
Other payables	100,624	90,291	2,970,174	2,519,249
Current income tax liabilities	12,846	18,678	394,513	517,012
Lease liabilities - current	2,656	3,574	81,569	98,946
Other current liabilities	13,474	10,044	413,782	278,008
Total current liabilities	142,603	163,433	4,259,346	4,543,831
Non-current liabilities				
Lease liabilities - non-current	2,646	4,900	81,243	135,625
Total non-current liabilities	2,646	4,900	81,243	135,625
Total liabilities	145,249	168,333	4,340,589	4,679,456
Equity				
Ordinary shares	26,740	26,634	811,913	808,638
Capital reserves	138,110	143,754	4,192,921	4,319,491
Retained earnings	492,999	433,068	14,671,389	12,970,276
Other equity	(14,299)	(23,915)	208,496	(2,070,966)
Treasury shares	(70,085)	(56,341)	(2,153,610)	(1,565,269)
Total equity	573,465	523,200	17,731,109	14,462,170
Total liabilities and equity	718,714	691,533	22,071,698	19,141,626

Audited Consolidated Statements of Cash Flows For twelve months ended December 31, 2022 and 2021	USD in Thousands		NTD in Thousands	
	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax for the year	183,517	207,621	5,374,833	5,808,533
Depreciation and amortization (including the right-of-use assets)	21,960	25,509	654,416	714,503
Loss on disposal of intangible assets	665	-	19,817	-
Loss on disposal of equipment	1	86	35	2,417
Share-based compensation cost	32,529	31,676	969,164	913,618
Interest income	(2,069)	(96)	(63,911)	(2,685)
Income and expenses having no effect on cash flows	53,086	57,175	1,579,521	1,627,853
Accounts receivable	15,675	5,050	481,391	139,785
Inventories	(69,714)	(19,072)	(2,140,923)	(527,908)
Other current assets	(37,354)	(7,774)	(1,078,797)	(223,290)
Net changes in assets relating to operating activities	(91,393)	(21,796)	(2,738,329)	(611,413)
Accounts payable	(27,843)	(2,724)	(855,072)	(75,409)
Other payables	(8,977)	15,396	(275,698)	426,155
Other current liabilities	3,430	4,420	105,341	122,349
Net changes in liabilities relating to operating activities	(33,390)	17,092	(1,025,429)	473,095
Cash provided by operations	111,820	260,092	3,190,596	7,298,068
Interest received	2,069	96	63,911	2,685
Income taxes paid	(24,117)	(17,010)	(718,678)	(476,455)
Income tax received	242	2	7,219	52
Net cash provided by operating activities	90,014	243,180	2,543,048	6,824,350
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of equipment	(5,757)	(10,584)	(171,548)	(296,457)
Acquisition of intangible assets	(466)	(395)	(13,901)	(11,065)
Increase in refundable deposits	(72,127)	(66,269)	(2,215,017)	(1,834,320)
Increase in other prepayments	(11,997)	(7,968)	(357,512)	(223,186)
Net cash used in investing activities	(90,347)	(85,216)	(2,757,978)	(2,365,028)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of employee stock options	2,448	271	72,937	7,583
Repayment of the principal portion of lease liabilities	(3,663)	(3,899)	(109,154)	(109,202)
Purchase of treasury shares	(48,277)	(61,424)	(1,547,482)	(1,707,978)
Proceeds from exercise of disgorgement	-	-	11	-
Treasury shares reissued to employees	34,533	11,052	959,141	310,416
Distribution of cash dividends	(93,720)	(59,474)	(2,622,127)	(1,752,708)
Cash dividend regain from cancellation of share-based compensation	76	62	2,244	1,881
Net cash used in financing activities	(108,603)	(113,412)	(3,244,430)	(3,250,008)
Effect of exchange rate changes on cash and cash equivalents	3,640	(11,265)	1,233,001	(527,250)
Net (decrease) increase in cash and cash equivalents	(105,296)	33,287	(2,226,359)	682,064
Cash and cash equivalents at beginning of year	332,433	299,146	9,201,743	8,519,679
Cash and cash equivalents at end of year	227,137	332,433	6,975,384	9,201,743